



**U. S. Department of Justice**

United States Attorney  
Northern District of Illinois

Patrick J. Fitzgerald  
United States Attorney

Federal Building  
219 South Dearborn Street, Fifth Floor  
Chicago, Illinois 60604  
(312) 353-5300

FOR IMMEDIATE RELEASE  
THURSDAY DECEMBER 13, 2007  
[www.usdoj.gov/usao/iln](http://www.usdoj.gov/usao/iln)

PRESS CONTACT:  
Randall Samborn  
U.S. Attorney's Office (312)353-5318

**SUBURBAN RESTAURATEUR CHARGED IN EXPANDED  
MULTI-MILLION DOLLAR LOAN FRAUD SCHEME**

CHICAGO – A suburban businessman, **Abdelhamid Chaib**, today was added as a co-defendant to a pending indictment against Chicago area businessman and political fundraiser **Antoin Rezko** and **Ali D. Ata**, a former executive director of the Illinois Finance Authority (IFA), in connection with a newly-expanded scheme to fraudulently obtain an additional loan for approximately \$2.6 million to finance the sale of approximately 17 pizza restaurants in the Chicago and Detroit areas and also defrauding investors in businesses that operated the franchises. The new indictment is part of *Operation Board Games*, an ongoing federal public corruption investigation of insider-dealing, influence-peddling and kickbacks involving private interests and public duties related to various state boards and non-profit organizations, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

Chaib, 53, of La Grange Park, also known as “Al Chaib,” was charged with three counts of wire fraud and one count of mail fraud. He will be arraigned at a later date in U.S. District Court.

According to the indictment, Chaib was an officer of several restaurant businesses operated by Rezko, including Rezko-Citadel, doing business as Panda Express, which was partially owned by Rezko Enterprises LLC. Chaib also owned and purportedly operated Al Chaib LLC and Chaib

Investments LLC , which had offices in Chicago. Beginning in approximately December 2002, Chaib, doing business as Al Chaib LLC and Chaib Investments LLC, purportedly owned and operated Papa John's Pizza stores in and around Chicago and Detroit.

The nine-count superseding indictment returned by a federal grand jury today contains six new wire and mail fraud counts against Rezko in addition to three other counts that were charged previously. Ata, who allegedly maintained investments in business ventures controlled by Rezko, remains charged with one count of aiding and abetting wire fraud. Both Ata, of Lemont, and Rezko, of Wilmette, have previously pleaded not guilty.

Mr. Fitzgerald announced the charges with Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago; Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago; and James Vanderberg, Regional Inspector-in-Charge of the U.S. Department of Labor Office of Inspector General.

Today's indictment expands the previously alleged fraud scheme to include new allegations that Chaib and Rezko schemed to fraudulently obtain an additional loan from General Electric Capital Corp. (GECC), of Bellevue, Wash., delay action by GECC to collect delinquent loans, and conceal the nature of those transactions from individual investors.

As part of the charged scheme, in October 2002, Chaib allegedly agreed with Rezko that he would assist Rezko raise money by entering into transactions in which he would act as a straw purchaser and falsely purport to purchase, at inflated prices, approximately 17 Papa John's pizza restaurants from companies that Rezko owned and/or controlled so that GECC would lend money based on inflated purchase prices. Chaib, assisted by Individual D and Rezko, applied to GECC for

a \$3.4 million loan to finance his purchase of the restaurants from three different entities owned and/or controlled by Rezko.

As a result of the alleged fraud by Chaib, Rezko and several unnamed co-schemers, ownership of certain Detroit-area Papa John's Pizza restaurants was transferred from a company controlled by Rezko to one of Chaib's companies; Chicago-area Papa John's Pizza restaurants were transferred from Rezko-controlled companies to Chaib's company; and GECC loaned Chaib Investments LLC approximately \$2.6 million in December 2002.

Chaib and Rezko allegedly concealed and directed others to conceal from individual investors the transfer of ownership of these approximately 17 pizza stores, in part, by characterizing the loan from GECC a refinancing of existing debt.

The government is being represented by Assistant U.S. Attorneys Carolyn McNiven, John Blakey and Brandon Fox.

If convicted, each new count of mail and wire fraud carries a maximum penalty of 20 years in prison and a maximum fine of \$250,000, or an alternative maximum fine of twice the gross profit to any defendant or twice the loss to any victim. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

#####